

Assembly Budget Committee Hearing
Monday, June 28, 2021

2021 Budget Trailer Bill Analyses Packet

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SUMMARY

Amends AB 128 (Ting), the likely 2021 Budget Act, to reflect an agreement between the Legislature and the Governor on the 2021 budget package.

Major Provisions

Specifically this bill:

- 1) Defers action on \$67.5 million for court improvements including an increase for the court reporter transcript rate, court reporters in family and civil proceedings, the court reporter transcript reimbursement fund, and the court interpreter incentive fund. This funding is set aside for future appropriation;
- 2) Provides \$50 million in 2021-22 and \$20 million ongoing to the Equal Access Fund and requires annual reporting on expenditures and services;
- 3) Appropriates \$40 million in 2021-22 and up to \$30 million ongoing for Dependency Counsel to support children and parents and correct federal funding shortfalls;
- 4) Provides \$60 million to the Judicial Council to address pandemic related court backlogs in civil and criminal cases;
- 5) Provides \$140 million in 2021-22 and \$70 million ongoing for pre-trial services administered by contracts between courts and county departments;
- 6) Includes \$120 million for the California Competes Grant program;
- 7) Appropriates \$50 million for grants to small non-profit performing arts organizations;
- 8) Removes \$70 million in funding contained in AB 128 (Ting) for the California Investment and Innovation Program;
- 9) Adds \$200,000 for the Racial Equity Advisory Council at the Governmental Operations Agency;
- 10) Provides a total of \$4 million for a homeless data system at the Business, Consumer Services, and Housing Agency;
- 11) Includes a total of \$50 million to address encampments for persons experiencing homelessness;
- 12) Includes a total of \$281.3 million of Public Transportation Account and \$26.7 million federal funds for the State Transportation Agency;

- 13) Adds \$100 million total funds for zero-emission rail and transit demonstration projects;
- 14) Provides \$2.5 million for health information exchange activities at the Health and Human Services Agency, subject to future legislation;
- 15) Includes \$600,000 for water resiliency data, research, communications at the Natural Resources Agency;
- 16) Provides \$5.7 million for the restoration of Clear Lake at the Natural Resources Agency;
- 17) Appropriates a total of \$7 million for the Office of Inspector General, subject to future legislation;
- 18) Provides the Labor Agency with an additional \$500,000 General Fund;
- 19) Includes \$146.3 million total funds for the California For All College Service program at the Office of Planning and Research;
- 20) Provides \$15 million General Fund to the Office of Planning and Research for Student Success Coaches;
- 21) Includes \$185 million federal funds for the Office of Planning and Research to provide summer youth opportunities grants;
- 22) Increases funding for the Office of Emergency Services by \$11 million, with \$1 million of that amount administered for statewide gun violence restraining order trainings to the San Diego City Attorney's Office;
- 23) Allocates \$7.5 million to the Department of Justice for retroactive expungement relief of certain arrest and conviction records currently available to individuals prospectively as of January 1, 2020;
- 24) Provides \$149,000 for the Department of Justice to participate in the California Highway Patrol Retail Theft Task Force;
- 25) Includes \$10.3 million for the Department of Justice to administer the Gun Violence Reduction program to support local law enforcement efforts to reduce the Armed Prohibited Persons System backlog;
- 26) Eliminates an appropriation of \$6.5 million for the consolidation of the Northern Region Forensics Science Laboratory Campus at the Department of Justice;
- 27) Eliminates \$6 million provided to the State Controller for the electronic payment of child care providers;
- 28) Provides \$1.86 billion for Statewide Child Savings Accounts at the Scholarshare Investment Board;

- 29) Includes \$130 million for the Department of Cannabis Control, including \$100 million for grants;
- 30) Appropriates \$250 million at the Department of Housing and Community Development for the Multifamily Housing Program;
- 31) Provides a total of \$50 million for the Serna Jr. Farmworker Housing Grant Program at Housing and Community Development;
- 32) Includes \$10 million for a grant program to incentivize local governments to incentivize the conversion of idle commercial properties to affordable housing;
- 33) Makes conforming changes to the Department of Transportation budget item to facilitate the allocation of various transportation funds if future legislation is agreed upon;
- 34) Includes a total of \$1.2 billion Motor Vehicle Account funds for the Department of Motor Vehicles operations, including reporting language for the Digital eXperience Platform project;
- 35) Provides \$10 million to implement mobile driver's licenses;
- 36) Clarifies that of the \$73 million appropriated for the California Conversation Corps, \$1 million is set aside for deferred maintenance and \$1.3 million is provided for the Los Padres facility;
- 37) Includes \$785 million to the Energy Commission for Zero Emission Vehicle technology and programs;
- 38) Provides \$400 million to the Energy Commission for Research and development;
- 39) Includes \$74.6 million Greenhouse Gas Reduction funds for fire protection and resource management funding;
- 40) Includes total funding of \$142.4 million General Fund for the support of the Department of Fish and Wildlife state operations;
- 41) Provides \$143.6 million for biodiversity conservation at the Department of Fish and Wildlife, including \$2 million for the recovery of the endangered southern steelhead trout;
- 42) Adds \$65 million of local assistance funding for the Wildlife Conservation Board;
- 43) Includes \$10 million for Coastal Commission for the Whale Tail Grant Program;
- 44) Provides and additional \$115,000 for the Native American Heritage Commission from the California Environmental License Plate Fund;

- 45) Reflects \$3.16 million from the Environmental License Plate Fund for the K-12 Access program at State Parks;
- 46) Provides \$64.1 million for State Parks, including \$5.6 million for the California State Adventurers Pilot Program, \$3 million California State Library Partnership Pilot Program, \$500,000 to support the Golden Bear Pass program, and an additional \$55 million for the Statewide Parks Program;
- 47) Removes \$9 million General Fund to convert the Alameda-Tesla Expansion Area from an off-road vehicle park;
- 48) Includes \$223 million in local park grants, with an additional \$200 million set aside for future legislative action;
- 49) Provides \$131,000 in Environmental License Plate fund support for the Delta Protection Commission;
- 50) Provides \$11,000 in Environmental License Plate fund support for the San Diego River Conservancy;
- 51) Includes \$488 million General Fund in support for the Department of Water Resource state operations, including \$101 million for immediate drought support and \$237 million for deferred maintenance. This swaps the \$237 million from federal funds to General Fund;
- 52) Provides \$11 million total to the Department of Water Resources for the formulation of the California Water Plan;
- 53) Adds \$663 million of local assistance funding from the Department of Water Resources for drought relief, multi-benefit projects water conveyance, and sustainable groundwater management;
- 54) Adds \$1.06 billion General Fund to the Air Resources Board, with \$883 million for Zero Emission Vehicle and Carl Moyer program funding and \$180 million for the San Joaquin Valley Air Pollution Control district to support alternatives to agriculture burning;
- 55) Includes \$333.5 million total from the Air Pollution Control Fund including \$86.5 million for clean trucks, buses, and off-road equipment;
- 56) Adds \$565 million of Greenhouse Gas Reduction Funds for Zero Emission Vehicle program funding;
- 57) Provides total funding of \$20.25 million General Fund for Department of Pesticide Regulations for regulations, specified grants, and local assistance;
- 58) Adds \$1.46 billion total funds to the Water Control Board for additional water funding including \$650 million for drinking water and \$85 million for groundwater clean up;

- 59) Provides \$1 billion for water enterprise shortfalls and arrearages;
- 60) Makes conforming changes to the Department of Toxics and Substances Control to reflect funds reflected in the corresponding trailer bill;
- 61) Reappropriates funding for the Laguna Nueva property in the City of Commerce provided for in the 2017 budget;
- 62) Provides \$920,000 for the Office of Environmental Health Hazard Assessment to study pipeline biogas;
- 63) Includes \$11 million for the Emergency Medical Service Authority to establish a Physician Order for Life Sustaining Treatment e-registry;
- 64) Provides \$834.3 million to the Office of Statewide Health Planning and Development department including funding for health workforce training and the Children and Youth Behavioral Youth Health Initiative workforce program;
- 65) Includes \$830.6 (\$304 million General Fund) for Department of Health Care Services state operations costs;
- 66) Provides \$349.5 million for Department of Health Care Services payments related to the Child and Youth Behavioral Health Initiative;
- 67) Allocates \$300 million for Department of Health Care grants to private hospitals;
- 68) Includes \$1 million at the Department of Health Care Services for field testing of translated Medi-Cal materials;
- 69) Provides a total of \$4.3 billion (\$1.1 billion General Fund) at the Department of Health Care Services for local assistance;
- 70) Eliminates an appropriation for \$40 million provided in the 2021 Budget Act for the CalBridge Behavioral Health Navigator program as it is expected this will be funded with new federal HBSC funding;
- 71) Provides \$203.7 million General Fund for local assistance and \$177.8 million General Fund for the state administration of the Department of Public Health;
- 72) Includes \$6.3 billion General Fund for services and \$362.9 million General Fund for state administration at the Department of Developmental Disabilities;
- 73) Appropriates \$2.4 billion General Fund for the support of State Hospitals;
- 74) Provides \$223.8 million for local assistance and \$31 million for state operations from the Mental Health Service fund and federal funds for the Mental Health Oversight and Accountability Commission;

- 75) Allows funding provided to the Department of Community Services and Development for farmworker weatherization to seek expedited stakeholder input on the procurement method;
- 76) Provides a total of \$581 million federal funds for the Department of Community Services and Development for local assistance;
- 77) Amends provisional language related to the allocation of federal funds by the Department of Community Services and Development for utility arrearage payments;
- 78) Provides a total of \$816.7 million for state operations and local assistances at the Department of Child Support Services;
- 79) Includes \$285 million General Fund for the Department of Social Services for the CalWORKs homeless program;
- 80) Provides \$9 million in one-time General Fund for the Department of Social Services to contract for the implementation of direct deposit for payments to child care providers over a two-year period;
- 81) Reduces General Fund for all Child Care programs to reflect statutory federal funding to increase all program rates to the 75th percentile of the 2018 RMR, and reduces General Fund to reflect additional 80,000 child care slots implemented over a multi-year period through 2025;
- 82) Provides \$150 million in one-time General Fund to support the acquisition, construction, development and renovation of child care facilities as authorized in AB/SB 131;
- 83) Provides \$15 million in ongoing General Fund for restoring the Child Care nutrition program state reimbursement rate;
- 84) Provides a total of \$2.8 billion General Fund for the Department of Social Services local assistance for programs operated by the department;
- 85) Includes \$8 million at the Department of Social Services for counties to assist In Home Supportive Services recipients with the disenrollment process contingent on the automation of the disenrollment process;
- 86) Provides \$13.7 billion General Fund for state operations of the Department of Corrections and Rehabilitation;
- 87) Provides funding for to the Department of Corrections and Rehabilitation for a one-year pilot for the Board of Parole hearings;
- 88) Includes \$12 million at the Department of Corrections and Rehabilitation to provide cost-free communications for one year for incarcerated individuals;

- 89) Provides \$35.9 million to standardize staffing models across five prisons as part of the Psychiatric Inpatient Program and includes an additional \$5.4 million for the preservation of filled psychiatric technician positions.
- 90) Provides \$150 million over three years to the Board of Community Corrections for the Public Defense pilot including \$500,000 for an independent evaluation by a university or research institution;
- 91) Provides \$260 million in ongoing Proposition 98 General Fund for the Special Education Early Intervention Preschool Grant for specified services for 0-5 year olds;
- 92) Aligns state operations workload funding with various education programs included in the 2021-22 budget and specifically programs \$2.5 million in additional funding and associated positions for the implementation of specified programs;
- 93) Provides \$6 million in one-time General Fund for the Department of Education to contract for the implementation of direct deposit for payments to state preschool providers over a two-year period;
- 94) Provides \$10 million in federal funds on one-time basis to provide technical assistance and support to local educational agencies in developing and administering comprehensive Individualized Education Programs, and to develop tools and resources to assess and address learning and service needs for students with disabilities stemming from the COVID-19 pandemic. Makes a variety of other investments in state level activities for special education, including in Family Empowerment Centers;
- 95) Provides \$215 million in federal American Rescue Plan Act funds for after school programs to increase daily rates for the After School Education and Safety Program to \$10.18 in the 2021-22 and 2022-23 fiscal years;
- 96) Provides \$86.4 million in Federal funds to increase daily rates to \$10.18 for the 21st Century Community Learning Center grant program that provides after school care;
- 97) Reduces Non-Proposition 98 General Fund for the non-local educational agency based California State Preschool Program to reflect maintaining reimbursement rates at 2020-21 levels, pending future agreements;
- 98) Provides \$1.5 million in Proposition 98 carryover funding for workload for the California Collaborative for Educational Excellence related to the biweekly instructional surveys authorized in AB/SB 130;
- 99) Reflects other adjustments and technical changes to a variety of federal funding items related to TK-12 public education;
- 100) Makes technical changes to the California State Library budget items to reflect the administrative costs for library grant finding contained in the budget;

101) Includes funding at the State Library for Outreach Grants to Ethnic Media (\$10 million), Inland Congregation United for Change Parents and Youth Engagement (\$6 million), Jewish Family and Children's Services Holocaust Center (\$1 million), California Center for Civic Participation (\$200,000);

102) Provides total funding for the University of California of \$4.67 billion General Fund and includes intent language that UC increase California enrollment by 6,230 students in 2022-23 and begin a plan to reduce nonresident enrollment at UC Berkeley, UCLA and UC San Diego;
103) Reflects technical changes to the budget necessary to transition the University of California Office of the President from a direct funding allocation in the budget to a campus assessment model;

104) Eliminates a \$150 million federal funding appropriation to the University of California for deferred maintenance and energy efficiency programs;

105) Provides \$10 million for the California Institute on Law, Neuroscience, and Education at Hastings College of Law;

106) Allocates \$5.2 billion General Fund for the California State University system and includes intent language that CSU increase California enrollment by 9,434 students in 2022-23;

107) Eliminates a \$150 million federal funding appropriation to the California State University for deferred maintenance and energy efficiency programs;

108) Provides a total of \$5.1 billion for the California Community College system for support and Adult Education programs;

109) Eliminates a \$250 million federal funding appropriation to the California Community College system for capital projects;

110) Provides \$250 million federal funds for emergency financial aid to community college students;

111) Allocates \$3.1 billion General Fund and \$472.5 million federal funds for the California Student Aid Commission, with \$500 million of this amount allocated for the Golden State Education and Training Program Act college savings account program;

112) Provides \$488.4 million General Fund to the Employment Development Department, including \$276.3 million to address deferred caseloads due to the COVID 19 pandemic;

113) Authorizes the Department of Finance to augment funding at the Employment Development Department by an additional \$53.7 million for additional pandemic caseload deferred workload, if needed;

114) Appropriates a total of \$352.6 million to the California Workforce Board for specified workforce training programs;

- 115) Includes \$24 million for the Department of Industrial Relations for specified programs to support workers in specified industries;
- 116) Specifies that digital identification project funding authorized by the Department of Technology may only use geolocation information for the purposes of preventing malicious activity;
- 117) Allocates \$25 million for the Department of Technology for modernization projects;
- 118) Appropriates \$3.75 billion to the Department of Technology for the construction of a digital open-access middle-mile broadband network;
- 119) Provides the Franchise Tax Board with \$1 billion General Fund for state operations;
- 120) Includes \$250,000 for the Department of General Services administrative costs associated with public school construction;
- 121) Appropriates \$253 million to the Department of General Services for K-16 Community Pathways and STEM teacher training;
- 122) Transfers \$93 million from the General Fund to the State Project Infrastructure fund;
- 123) Makes technical changes to the fund location for funding budgeted for the compensation of victims of Forced or Involuntary Sterilization;
- 124) Provides \$126 million for the support of the Art's Council, including \$60 million for the California Creative Corp;
- 125) Appropriates \$236 million General Fund to the Department of Food and Agriculture;
- 126) Includes \$622.4 million for the Public Utilities Commission Advanced Service Fund for broadband infrastructure and affordability;
- 127) Eliminates a proposed separate Office of Racial Equity;
- 128) Provides \$2 million to support the Commission on Asian and Pacific Islander Affairs;
- 129) Makes clarifying and technical changes to provisional language relating to the allocation of \$100 million for fiscal relief to independent special districts that had unanticipated revenue or cost pressures due to the COVID-19 pandemic;
- 130) Eliminates funding for County Assessors;
- 131) Updates provisional language related to state employee compensation to reflect recent collective bargaining outcomes;

132) Includes provisional language to allow the Department of Finance to adjust budget items, with Joint Legislative Budget Committee notification, related to the drought state of emergency by up to \$25 million;

133) Adjust provisional language related to the Department of Finance's authority for Disaster Response Emergency Operations Account expenditures to conform to the expected end of the use of that authority in the 2021-22 fiscal year;

134) Includes provisional language authorizing the Department of Finance to adjust the budget to account for new federal funding from the Home and Community-Based Services American Rescue Plan fund;

135) Adds provisional language to allow the administration to make adjustments to fully expended the expected \$27 billion Coronavirus State Fiscal Recovery Fund allocation and eliminates a control section that specified the General Fund relief amount from those federal funds;

136) Updated Control Section 19.55 to reflect the expected expenditures for 2021-22 that are not yet contained in the budget act, with many amounts decreasing based upon an expectation that these expenditures would occur in future fiscal years based on current rates of expenditures in the program;

137) Articulates \$1.3 billion of legislative spending priorities, with the expectation that these items may be amended into departmental budget line items in a future amendment to the budget act, however, these funds are appropriated for disbursement of September 30, 2021 if no further amendment to these control sections is made; and

138) Makes technical adjustments to control sections to reflect the revised scoring of the budget agreement.

COMMENTS

This bill amends AB 128 (Ting), the June 14 "legislative budget package", to implement the principal fiscal provisions of the framework budget agreement being finalized between the Legislature and the administration. As such, this bill contains many additions and subtractions in individual line items, including the addition in Sections 19.56 and 19.57 of over \$1 billion of legislative priority investments in communities across the state. Other elements of the framework agreement will appear in later trailer bills and budget bill amendments, as typically occurs every year.

Among the principal changes in this bill are amended provisions concerning key federal funds from the American Rescue Plan Act (ARPA). For example, this bill programs (1) \$9.2 billion of ARPA Coronavirus Fiscal Recovery Fund (CFRF) moneys to offset state General Fund expenses in 2021-22 and (2) \$1.5 billion of ARPA Home and Community-Based Services (HCBS) FMAP funding to offset eligible General Fund expenses across fiscal years 2021-22 and 2022-23. By contrast, the June 14th legislative budget package programmed (1) \$7.3 billion of ARPA CFRF funding in 2021-22 and (2) \$2.6 billion of ARPA HCBS funding in 2021-22 alone for the same purposes.

The budget package also generally reflects the Department of Finance’s May Revision General Fund revenue estimates. The June 14 legislative budget package used higher Legislative Analyst’s Office revenue estimates, although AB 128, unlike this bill, treated the Golden State Stimulus 2.0 as a deduction to revenues (rather than a state expenditure). The differing revenue estimates result in different amounts being required for Proposition 98 school funding and Proposition 2 reserve and debt payments.

Because of the size of the budget bill causes logistical issues, the Legislature has typically used a second bill for amendment to the Legislative version of the budget to facilitate changes to the budget act after reaching agreement with the Governor. This amended bill is sometimes called a “Budget Bill Jr.” because it resembles a smaller version of the larger budget bill.

On June 28, 2021, this bill had an identical version in the other legislative house, AB 129, to facilitate the process for passing the budget package.

According to the Author

It’s a privilege to have a hand in crafting such a historic and transformational state budget that will have lasting impact on Californians for decades. We are meeting the challenges of today – helping individuals, families and small businesses still struggling as a result of the pandemic – while also investing in tomorrow with priorities like infrastructure, university expansion, affordable housing supply and climate resilience.

I’m especially excited about the strides we’re making in early care and education, as we reform child care rates, achieve universal transitional kindergarten, bring per-pupil spending to an all-time high, and expand access to higher education with more slots and financial aid. We are also taking the steps to build up mental health services for those students who have or will be dealing with the effects of a prolonged period of distance learning.

While we are addressing these critical needs, we’re further expanding vital social safety net programs, addressing homelessness in record levels and ensuring our economic recovery touches all communities. We’re seizing every opportunity to move California forward like never before.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Department of Finance, this budget has a total expenditure level of \$262.6 million total state funds, with \$196.4 from the General Fund. The budget also assume \$194.3 billion in federal funding. The budget act projects a total reserve level of \$25.2 billion with a Special Fund for Economic Uncertainties reserve level of \$4 billion.

VOTES

SENATE FLOOR: 29-8-2

YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk
ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: June 25, 2021

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099

FN:

SUMMARY

This trailer bill establishes the Golden State Stimulus II tax rebate payments of approximately \$8.1 billion to provide financial relief for low and middle-income Californians who may have been adversely impacted by the economic disruptions resulting from the COVID-19 emergency. This bill contains changes necessary to implement the 2021 Budget Act. Specifically, **this bill**:

Major Provisions

- 1) Defines a "qualified recipient" as an individual who meets of the following:
 - a. Is an individual who filed a California individual income tax return on or before October 15, 2021, as specified, for the taxable year beginning on or after January 1, 2020, and before January 1, 2021.
 - b. Is a California resident, as defined by Section 17014 of the Revenue and Taxation Code, for more than one-half of the taxable year beginning on or after January 1 2020, and before January 1, 2021, and on the date the Controller issues the rebate.
 - c. Cannot be claimed as a dependent by another taxpayer.
 - d. Had California adjusted gross income of \$1 or more, but not more than \$75,000, or not more than \$37,500 in the case of a married individual filing separately.
 - e. Had wages subject to withholding under Division 6 (commencing with Section 13000) of the Unemployment Insurance Code of \$75,000 or less, or \$37,500 or less in the case of a married individual filing separately.
- 2) Specifies that if an individual or their spouse applied for, but did not receive, an ITIN on or before October 15, 2021, the individual is a qualified taxpayer, as specified, if the tax return was filed on or before February 15, 2022. Additionally, applies this provision to the Golden State Stimulus I.
- 3) Specifies that the Controller shall make a one-time Golden State Stimulus II tax refund payment to each qualified recipient, not to exceed \$1,100, as follows:
 - a. \$500 for a qualified recipient, or \$250 in the case of a married individual filing separately, if the qualified recipient met the requirements of the Golden State Stimulus I and filed the return using a social security number, and, if married, the social security number of their spouse, and the qualified recipient claimed a credit for one or more dependents, as specified.
 - b. \$600 or \$300 in the case of a married individual filing separately, if the qualified recipient did not meet the requirements of the Golden State Stimulus I, and did not claim a credit for one or more dependents, as specified.

- c. \$1,000 or \$500 in the case of a married individual filing separately, if the qualified recipient met the requirements of the Golden State Stimulus I and filed their return using their federal ITIN, or, if married, the ITIN of their spouse, and the qualified recipient claimed a credit for one or more dependents, as specified.
 - d. \$1,100 or \$550 in the case of a married individual filing separately, if the qualified recipient did not meet the requirements of the Golden State Stimulus I and claimed a credit for one or more dependents, as specified.
- 4) Specifies that a qualified individual shall not include an individual who satisfies all of the following:
 - a. Is an individual without a dependent.
 - b. Files or filed their California individual income tax return using the single filing status, as specified.
 - c. Is either of the following:
 - i. Deceased on the date the Controller would issue the payment, as specified.
 - ii. Incarcerated, other than incarcerated pending the disposition of charges, in a jail, prison, or similar penal institution or correctional facility on the date the Controller would issue the payment, as specified.
- 5) Exempts Golden State Stimulus II payments from offsets and garnishment orders and provides that the Controller shall not offset delinquent accounts against the payments, as specified.
- 6) Specifies that Golden State Stimulus II payments shall not be a refund or overpayment of income taxes under Chapter 6 (commencing with Section 19301) of Part 10.2 of Division 2 of the Revenue and Taxation Code of any liability imposed under Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code.
- 7) Specifies that a qualified recipient who files jointly with their spouse shall be considered one qualified recipient for the purposes of this section, and shall receive only one payment of the applicable amount.
- 8) Specifies that the Franchise Tax Board (FTB) shall inform the Controller of the payment amount for each qualified recipient and provide the return or return information to the Controller to allow the Controller to make payments, as specified.
- 9) Continuously appropriates, from the Golden State Stimulus Emergency Fund to the Controller, an amount necessary for the Controller to make the Golden State Stimulus II tax refund payments to help low and middle-income Californians impacted by the COVID-19 emergency.
- 10) Stipulates that the Controller shall issue the required payments no later than July 15, 2022. However, allows the Controller to reissue stale, dated, or replacement warrants after July 15, 2022. Any returned payments shall be redeposited into the Golden State Stimulus Emergency Fund. Any unused money remaining in the Golden State Stimulus Emergency Fund shall be transferred to the General Fund by June 1, 2024.

- 11) Specifies that the Golden State Stimulus II payments shall be treated in the same manner as the federal earned income refund for the purpose of determining eligibility to receive benefits, as specified.
- 12) Specifies that the Golden State Stimulus II payments shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, for the purpose of determining eligibility of such individual, or any individual, for benefits or assistance or the amount or extent of benefits or assistance under any state or local program, as specified.
- 13) Contains a legislative finding and declaration that to the extent an individual is otherwise a qualified recipient, an undocumented person, as specified, is eligible for Golden State Stimulus II payments.
- 14) Specifies that for the purpose of complying with Section 41 of the Revenue and Taxation Code, the Legislature finds and declares that the purpose of the tax expenditure allowed by this act is to provide financial relief for low and middle-income Californians who may have been adversely impacted by the economic disruptions resulting from the COVID-19 emergency.
- 15) Requires the FTB, in consultation with the Controller, to provide a written report to the Legislature by December 1, 2022, that includes the number of qualified recipients issued a payment, as specified.
- 16) Declares that the COVID-19 emergency has had a significant and disproportionate negative impact on the financial health of many low and middle-income Californians. Furthermore, the COVID-19 emergency has caused many low and middle-income families to face the loss of jobs, loss of income, increased costs, and increased risks to their personal health and safety.
- 17) Contains legislative finding and declaration that the Golden State Stimulus II payments serve the public purpose of providing financial relief for low and middle-income Californians who may have been adversely impacted by the economic disruptions resulting from the COVID-19 emergency, and do not constitute gifts of public funds, as specified.
- 18) Specifies that this act provides for appropriations relating to the state of Emergency declared by the Governor on March 4, 2020, relating to the COVID-19 pandemic, and pursuant to paragraph (2) of subdivision (c) of Section 3 of Article XIII B of the California Constitution are not subject to the annual appropriations limit set by Section 1 of Article XIII B of the California Constitution when passed by a two-thirds vote of the Legislature.
- 19) Contains conforming changes to sections related to the first Golden State Stimulus.

COMMENTS

This is a budget bill within the overall 2021-22 budget package necessary to implement actions related to the Golden State Stimulus. The investment in the Golden State Stimulus II, brings the total investment in the Golden State Stimulus to \$11.9 billion.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

The provisions of this bill are projected to result in costs of approximately \$8.1 billion, as follows:

- 1) The \$600 one-time stimulus payments to all taxpayers filing a 2020 tax year return with adjusted gross income of \$75,000 or less who did not already receive a Golden State Stimulus is estimated to cost \$5.6 billion and assist about 9.4 million tax filers.
- 2) The \$500 one-time stimulus payments to all taxpayers with adjusted gross income of \$75,000 or less with a dependent on the return is expected to cost \$2.2 billion and assist 4.3 million tax filers. Some of these recipients will receive \$1,100 if they also qualify for the low- to middle-income stimulus under 1 above.
- 3) The \$500 one-time stimulus payments to all ITIN taxpayers with adjusted gross income of \$75,000 or less and a dependent is expected to cost \$260 million and assist 520,000 tax filers. These recipients are also eligible for the payments under 2, above, so they will receive \$1,000.

VOTES

SENATE FLOOR: 29-8-2

YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk

ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: June 25, 2021

CONSULTANT: Genevieve Morelos / BUDGET / (916) 319-2099

FN:

SENATE THIRD READING

SB 142 (Committee on Budget and Fiscal Review)

As Amended June 25, 2021

Budget Bill Appropriation Takes Effect Immediately

SUMMARY

Makes necessary statutory changes to ratify and implement memoranda of understanding (MOUs), addenda and side letters between 19 bargaining units (BUs) and the state. The agreements cover state employees represented by 11 exclusive employee representatives, as follows:

Service Employees International Union, Local 1000 (SEIU 1000)

- BU 1: Administrative, Financial, and Staff Services
- BU 3: Professional Educators and Librarians
- BU 4: Office and Allied
- BU 11: Engineering and Scientific Technicians
- BU 14: Printing Trades
- BU 15: Allied Services
- BU 17: Registered Nurses
- BU 20: Medical and Social Services
- BU 21: Education Consultants and Library Employees

California Attorneys, Administrative Law Judges and Hearing Officers in State Employment (CASE)

- Bargaining Unit 2: Attorneys, Administrative Law Judges, and Hearing Officers

California Association of Highway Patrolmen (CAHP)

- Bargaining Unit 5: California Highway Patrol Officers

California State Law Enforcement Association (CSLEA)

- Bargaining Unit 7: Protective Services and Public Safety

Professional Engineers of California Government (PECG)

- Bargaining Unit 9: Professional Engineers

California Association of Professional Scientists (CAPS)

- Bargaining Unit 10: Professional Scientists

International Union of Operating Engineers (IUOE)

- Bargaining Unit 12: Craft and Maintenance

International Union of Operating Engineers (IUOE)

- Bargaining Unit 13: Stationary Engineers

Union of American Physicians and Dentists (UAPD)

- Bargaining Unit 16: Physicians, Dentists, and Podiatrists

California Association of Psychiatric Technicians (CAPT)

- Bargaining Unit 18: Psychiatric Technicians

American Federation of State, County and Municipal Employees (AFSCME)

- Bargaining Unit 19: Professional Health and Social Services

Existing Law:

- 1) Establishes the Ralph C. Dills Act, which requires the state to collectively bargain with the exclusive representatives of employee groups (i.e., bargaining units) - regarding wages and working conditions, and to define negotiated agreements in MOUs.
- 2) Establishes the California Department of Human Resources (CalHR) as the official representative of the Governor in all matters related to collective bargaining with state employees.
- 3) Requires that any MOU between the state and an exclusive representative be ratified by the Legislature.
- 4) Establishes the California Public Employees' Retirement System (CalPERS), which administers health and retirement benefits for state employees.
- 5) Requires the Legislative Analyst's Office (LAO) to analyze all state MOUs and to provide analysis of an MOU and its fiscal impact to the Legislature within 10 days of receipt of an MOU from CalHR.
- 6) Provides that fully vested state retirees (e.g., with 20 or more years of state employment or with 25 years or more, depending on the bargaining unit) are entitled to an employer contribution for retiree health care equal to 80 or 100 percent of the weighted average premium of the four health plans most highly utilized by all members. Depending on the bargaining unit, dependents are eligible for a contribution based on 80 or 90 percent of the average additional premiums paid for dependents during the benefit year in which the formula is applied. These are referred to as the 80/80 and 100/90 formulas.
- 7) Requires that Medicare-eligible retirees enroll in Medicare and choose a Medicare-coordinated health plan.
- 8) Provides that the employer contribution for active state employee health care shall be determined through collective bargaining.
- 9) The 2020-21 Budget Act achieved General Fund savings in state employee compensation through the ratification of negotiated agreements between the state and 20 bargaining units. Among other cost saving measures, the ratified MOU addenda and side letters included a personal leave program (PLP 2020) that achieved a 4.62% savings for each day employee pay was reduced. The PLP 2020 was approved for fiscal years 2020-21 and 2021-22 and varied depending on the bargaining unit. In addition, the agreements suspended employee contributions to prefund retiree health benefits in 2020-21 and 2021-22.

Major Provisions

This bill ratifies the MOUs, addenda, and side letters entered into between the state and bargaining units 1, 2, 3, 4, 5, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 18, 20, and 21, notwithstanding the requirement for the LAO to produce a fiscal analysis, as follows:

- 1) Approves provisions requiring the expenditure of funds for the addendum entered into by the state and BUs 1, 2, 3, 4, 5, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 18, 20, and 21.
- 2) Authorizes the state or any of the bargaining units to reopen negotiations if funds for those provisions are not specifically appropriated by the Legislature. The bill provides that the provisions of the addendum that require expenditure of funds become effective even if those provisions are approved by the Legislature in legislation other than the annual Budget Act.
- 3) Reinstates the employee contribution for prefunding other postemployment benefits for the 2021-22 fiscal year for employees represented by BUs 1, 2, 3, 4, 7, 9, 10, 11, 13, 14, 15, 16, 17, 19, 18, 20, and 21.
- 4) Adjusts the state and employee contribution percentages for prefunded retiree health care, as specified, to maintain a 50% cost sharing of the actuarially determined total normal costs for employees in BU 12.
- 5) Adjusts the cost-sharing amounts applicable to the state and employees in BU 5 for prefunding retiree health care.
- 6) Appropriates \$1,287,279,000 for expenditure in the 2021–22 fiscal year for the purpose of state employee compensation as provided.
- 7) Includes provisions to take effect immediately.
- 8) Includes double jointing language to address chaptering out issues with AB 159 (Ting).

COMMENTS

The following information summarizes the general provisions of the MOU and was provided by CalHR:

Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21: The MOU side letter agreement between the state and SEIU Local 1000 is, as follows:

COMPENSATION

- 1) Personal Leave Program (PLP 2020)
 - a. Effective June 30, 2021, the Personal Leave Program (PLP 2020) will end. SEIU Bargaining Unit employees will have their full salaries restored.
 - b. Unused PLP 2020 leave credits may be used in the same manner as Vacation/Annual Leave and Personal Necessity Leave.
 - c. Open enrollment will occur July 1, 2021 through August 1, 2021, for SEIU Bargaining Unit employees to opt into the Voluntary Personal Leave Program.

- d. CalHR will review leave cash out policies by March 1, 2022, to assess for equity impact/implementation across all departments and will meet with SEIU Local 1000 within 60 days of completion of that review.
- 2) Salary Increase
- a. Effective on the first day of the pay period following ratification by both parties, all SEIU Bargaining Unit employees will receive a 4.55 percent salary increase. This increase will account for the previously negotiated salary increase that was originally scheduled for July 1, 2020 (2.5 percent) and the salary increase that was already scheduled for July 1, 2021 (2.0 percent), including compounding (.05 percent).
- 3) Minimum Wage Equity Adjustment
- a. Effective on the first day of the pay period following ratification by both parties, SEIU Bargaining Unit employees will no longer be eligible for the Minimum Wage Equity Adjustment that was negotiated in response to the implementation of PLP 2020.
- 4) Improving Affordability and Access to Healthcare
- a. The existing MOU contains a \$260 monthly payment for SEIU Bargaining Unit employees with specific eligibility requirements. This provision will continue to be suspended until June 30, 2022.
 - b. All health benefits-eligible SEIU Bargaining Unit employees will receive a monthly payment of \$260 and will be ineligible for the Flex-Elect Benefit Plan cash option. The Flex-Elect Benefit Plan cash option shall be reinstated July 1, 2022. For those eligible, enrollment for the Flex-Elect Benefit Plan will occur in the spring of 2022.

POST-EMPLOYMENT BENEFITS PREFUNDING OF OTHER POST-EMPLOYMENT BENEFITS (OPEB)

- 1) Effective on the first day of the pay period following ratification, SEIU Bargaining Unit employees will resume monthly contributions of 3.5 percent to prefund OPEB.

MISCELLANEOUS CONTRACT REOPENER LANGUAGE

- 1) This side letter agreement may be reopened upon finalization of the federal regulations regarding essential worker premium pay.

Bargaining Unit 2: The MOU side letter agreement between the state and BU 2 (CASE) is, as follows:

COMPENSATION

- 1) Personal Leave Program (PLP 2020)

- a. Effective on the first day of the pay period following ratification by both parties, PLP 2020 will end. Bargaining Unit 2 employees will have their full sales restored.
 - b. Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 2 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.
- 2) Salary Increase
- a. Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 2 employees will receive a 4.04 percent salary increase. This increase was originally schedule for July 1, 2022 (2.5 percent) and a new increase (1.5 percent), including compounding (0.04 percent).
- 3) Special Salary Adjustments
- a. Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 2 employees will receive a 1.33 percent increase.
 - b. Effective August 1, 2021, ranges A and B of specific classifications will have the minimum and maximum salaries increased by 15 percent and Bargaining Unit 2 employees in these ranges will receive a 15 percent special salary adjustment.

POST-EMPLOYMENT BENEFITS

- 1) Prefunding of Other Post-Retirement Benefits (OPEB)
- a. Effective on the first day of the pay period following ratification, Bargaining Unit 2 employees will resume monthly contributions of 2 percent to prefund OPEB.

MISCELLANEOUS

- 1) Effective the pay period following ratification by both parties, Bargaining Unit 2 employees will no longer receive the monthly payment of \$260 for Improving Affordability and Access to Healthcare.
- 2) Effective the pay period following ratification by both parties, the Bilingual Pay Differential will be increased from \$100 per month to \$200 per month.
- 3) Effective the pay period following ratification by both parties, the Commute Program Reimbursements will be increased by \$35 per month.
- 4) No later than 6 months after ratification by both parties, the State will present to the State Personnel Board a proposal to consolidate a majority of the Administrative Law Judge I and II classifications into one statewide classification and to combine the two levels.
- 5) No later than July 1, 2022, the State will present a proposal to the State Personnel Board to make the following changes to certain attorney classifications.

DURATION

- 1) This MOU is effective July 1, 2021, through June 30, 2022.

Bargaining Unit 5: The MOU side letter agreement between the state and BU 5 (CAHP) is, as follows:

COMPENSATION

- 1) Personal Leave Program (PLP 2020)
 - a. Effective on the first day of the pay period following ratification by both parties, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 5 employees will have their full salaries reinstated.
 - b. Effective on the first day of the pay period following ratification by both parties, bargaining unit 5 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.
- 2) Modification of Vacation and Annual Leave Hours Cap
 - a. Vacation and Annual Leave caps are capped at 924 hours through July 3, 2024, and may be extended if the employer is not able to reduce balances for operational reasons.
- 3) One-time Leave Cash Out
 - a. Employees shall have a one-time option to cash out up to 80 hours of leave credits in the fall of 2021.
- 4) Restoration of Uniform Allowance
 - a. Effective on the first day of the pay period following ratification by both parties, the following items are restored consistent with MOU:
 - i. \$920 per year allowance for uniforms.
 - ii. \$25 per month uniform maintenance and cleaning.

RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS

- 1) Restoration of Employee Retirement Contribution towards Compensation
 - a. As previously negotiated, on July 1, 2023, the 1.0 percent of salary which was redirected to the employer contribution will be restored to the employees' compensation.
- 2) Restoration of Employees' Retirement Contributions
 - a. Effective July 1, 2021, increases to employees' retirement contribution shall be restored.

RESTORATION OF EMPLOYEE AND EMPLOYER OTHER POST-EMPLOYMENT BENEFITS (OPEB) CONTRIBUTIONS

- 1) Effective on the first day of the pay period following ratification by both parties, OPEB prefunding contributions will resume. The employee and employer OPEB contributions will resume based on the following schedule:
 - a. Effective on the first day of the pay period following ratification by both parties, employee share of 0.9 percent pensionable compensation and employer share of 5.9 percent of pensionable compensation for a total of 6.8 percent.
 - b. Effective July 1, 2022, employee share of 1.7 percent of pensionable compensation and employer share of 5.1 percent of pensionable compensation for a total of 6.8 percent.
 - c. Effective July 1, 2023, employee share of 2.6 percent of pensionable compensation and employer share of 4.2 percent of pensionable compensation for a total of 6.8 percent.
 - d. Effective July 1, 2024, employee share of 3.4 percent of pensionable compensation and employer share of 3.4 percent of pensionable compensation for a total of 6.8 percent.

MISCELLANEOUS

1) Contract Reopener Language

- a. The parties agree to meet and confer upon finalization of the federal regulations regarding essential worker premium pay.

TERM

- 1) Upon ratification by both parties the MOU is extended from June 30, 2023 to July 3, 2024. The Union ratification process will be completed no later than June 30, 2021.

Bargaining Unit 7: The MOU side letter between the state and BU 7 (CSLEA) is, as follows:

COMPENSATION

1) Personal Leave Program (PLP 2020)

- a. Effective on the first day of the pay period following ratification, PLP 2020 will end. Bargaining Unit 7 employees will have their full salaries restored.
- b. Effective on the first day of the pay period following ratification, Bargaining Unit 7 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.
- c. Bargaining Unit 7 employees may still use any Personal Development Days prior to using any remaining PLP 2020 leave credits.

2) Salary Increase

- a. Effective on the first day of the pay period following ratification, Bargaining Unit 7 employees will receive a 5.06 percent salary increase. This increase was originally schedule for July 1, 2020 (2.5 percent) and July 1, 2021 (2.5 percent), including compounding (0.06 percent). Minimum Wage Equity Adjustment
- b. Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 7 employees will no longer be eligible for the Minimum Wage Pay Differential 443 that was negotiated in response to the implementation of PLP 2020.

POST-EMPLOYMENT BENEFITS

1) Prefunding of Other Post-Retirement Benefits (OPEB)

- a. Effective on the first day of the pay period following ratification, Bargaining Unit 7 employees will resume monthly contributions of 4 percent to prefund OPEB.

MISCELLANEOUS

1) Contract Reopener Language

- a. This side letter agreement may be reopened upon finalization of the federal regulations regarding essential worker premium pay.

TERM

- 1) Effective the first day of the pay period following ratification. The union ratification process has been completed.

Bargaining Unit 9: The MOU side letter agreement between the state and BU 9 (CSLEA) is, as follows:

COMPENSATION

1) Personal Leave Program (PLP 2020)

- a. Effective on the first day of the pay period following ratification, the PLP 2020 will end. Bargaining Unit 9 employees will have their full salaries restored.
- b. Effective on the first day of the pay period following ratification, Bargaining Unit 9 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

2) Salary Increase

- a. Effective on the first day of the pay period following ratification by both parties, all Bargaining Unit 9 employees will receive a 5.58 percent salary increase. This increase will account for the previously negotiated salary increase that was

originally scheduled for July 1, 2022 (3.0 percent) and a new salary increase (2.5 percent), including compounding (.08 percent).

3) Retirement

- a. As previously negotiated, effective the first day of the pay period following ratification by both parties, Miscellaneous and Safety Bargaining Unit 9 employees will pay an additional 0.5 percent in retirement contributions for one year. After the completion of one year, the retirement contributions will be reduced by 0.5 percent.

POST-EMPLOYMENT BENEFITS

1) Prefunding of Other Post-Employment Benefits (OPEB)

- a. Effective on the first day of the pay period following ratification, Bargaining Unit 9 employees will resume monthly contributions of 2.0 percent to prefund OPEB.

MISCELLANEOUS

1) Contract Reopener Language

- a. The side letter agreement may be reopened upon finalization of the federal regulations regarding essential worker premium pay.

TERM

- 1) Effective the first day of the pay period following ratification by both parties. The Union ratification process is expected to be completed no later than June 30, 2021.

Bargaining Unit 10: The MOU side letter agreement between the state and BU 10 (CAPS) is, as follows:

COMPENSATION

1) Personal Leave Program (PLP 2020)

- a. Effective on the first day of the pay period following ratification, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 10 employees will have their full salaries restored.
- b. Effective on the first day of the pay period following ratification, Bargaining Unit 10 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged, except any unused PLP accruals do not expire.
- c. Effective on the first day of the pay period following ratification, Bargaining Unit 10 employees will be allowed to modify their participation in Voluntary Personal Leave Program for three calendar months. After the third calendar month the standard timeframes will be restored.

2) Salary Increase

- a. Effective on the first day of the pay period following ratification, the salary ranges of all Bargaining Unit 10 classifications will be increased by 7.63 percent. This increase will account for the previously negotiated salary increase that was originally scheduled for July 1, 2020 (5 percent), a new July 1, 2021 increase (2.5 percent), and including compounding (0.13 percent).

POST-EMPLOYMENT BENEFITS

1) Prefunding of Other Post-Employment Benefits (OPEB)

- a. Effective on the first day of the pay period following ratification, Bargaining Unit 10 employees will resume monthly contributions to prefund OPEB.

TERM

- 1) Effective the first day of the pay period following ratification, and continues until June 30, 2022, or until the provisions are incorporated into a successor agreement. The union ratification process has been completed.

Bargaining Unit 12: The MOU collective bargaining agreement between the state and BU 12 (IUOE) is, as follows:

COMPENSATION

1) Salary Increase

- a. Effective the first day of the pay period following ratification by both parties, all Bargaining Unit 12 employees will receive a 5.06 percent salary increase. This increase accounts for a 2.5 percent salary increase for 2020 and 2021, including compounding (.06 percent).
- b. Effective July 1, 2022, all Bargaining Unit 12 employees will receive a salary increase of 2.25 percent.

2) Special Salary Adjustments

- a. Effective the first day of the pay period following ratification by both parties, Bargaining Unit 12 employees depending on classifications will receive a special salary adjustment of 4, 5 or 7 percent.
- b. Effective July 1, 2022, Bargaining Unit 12 employees depending on classifications will receive a special salary adjustment of 4, 5, or 7 percent.

NIGHT SHIFT PAY DIFFERENTIAL

- 1) Effective July 1, 2021, increases in night shift pay differential from 40 cents to \$1 per hour for work shifts that fall between 6 p.m. and 12 midnight.

- 2) Effective July 1, 2021, increase in night shift pay differential from 50 cents to \$2 per hour for work shifts that fall between 12 midnight and 6 a.m.

SPECIAL DUTY PAY

- 1) Effective July 1, 2021, increases in special duty pay for California Department of Transportation employees assigned to avalanche control, performing rock scaling, climbing, transporting of explosives, or suspended work. Pay increases from \$6 to \$10 per hour.
- 2) Effective July 1, 2021, certified CalOES employees performing radio communications during emergency outages while deployed in a snow caterpillar will receive special duty pay of \$10 per hour.

DEPARTMENT OF CORRECTIONS RECRUITMENT AND RETENTION PAY

- 1) Effective July 1, 2021, all Bargaining Unit 12 employees will be eligible for an increase in their recruitment and retention bonus from \$2400 to \$2600. This pay differential has been extended to five institutions, Pelican Bay, Sierra Conservation Center, California Correctional Center, High Desert, and RJ Donovan Correctional facilities.

GREATER BAY AREA RECRUITMENT AND RETENTION PAY DIFFERENTIAL

- 1) Effective July 1, 2021, Bargaining Unit 12 employees who work in the greater Bay Area will be eligible for a recruitment and retention pay differential of 5 percent.

COMMERCIAL VEHICLE INSPECTION SPECIALIST (CVIS) PAY DIFFERENTIAL

- 1) Effective the first day of the pay period following ratification by both parties, employees in the California Highway Patrol CVIS classification who pass the Passenger Vehicle Inspection exam will receive a \$200 pay differential each month.

WELL DRILLING LICENSE PAY DIFFERENTIAL

- 1) Effective July 1, 2021, Caltrans employees in the Senior Foundation Driller and the Foundation Driller Leadworker classifications, who possess the C-57 Well Drilling license and perform the associated duties, will receive a pay differential of 5 percent.

RECRUITMENT AND RETENTION DIFFERENTIAL – CAL OES TELECOMMUNICATIONS

- 1) Effective July 1, 2021, California Governor's Office of Emergency Services Telecommunications Technician Trainees, Telecommunications Technicians, and Senior Telecommunications Technicians who work in Los Angeles, Orange, San Benito, San Diego, San Luis Obispo, Santa Barbara, or Ventura counties will receive a pay differential of 5 percent.

FOOTWEAR

- 1) Footwear purchases made on or after July 1, 2021, will increase their footwear reimbursement from \$50 per year to \$100 per year or every two years from \$100 to \$200. Department of General Services and California Department of Education –

Nutritional Services Division have been added to the list of Departments under this section.

SHIFT PREMIUM FOR DEPARTMENT OF WATER RESOURCES (DWR)

- 1) Effective the first day of the pay period following ratification by both parties, specified employees covered by the DWR Rotating Shift Operations will have increases to their shift pay differential.

PERSONAL LEAVE PROGRAM (PLP 2020)

- 1) Bargaining Unit 12 employees will have their full salaries restored. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

VACATION AND ANNUAL LEAVE HOURS CAP

- 1) Annual Leave and Vacation Leave caps will be allowed to increase by the equivalent number of PLP 2020 hours employees were subject to through June 30, 2021. The increase will remain in effect until June 30, 2023.

TOOL ALLOWANCE

- 1) Effective July 1, 2021, employees in the Lead Heavy Equipment Body Worker/Painter classification are eligible for an annual tool allowance of \$325 per year.

SEASONAL EMPLOYEES UNIFORM ALLOWANCE

- 1) Effective July 1, 2021, seasonal employees are allowed a one-time per year uniform allowance advance not to exceed 3 months or \$135.
- 2) Effective July 1, 2021, seasonal employee's uniform allowance has increased from \$20 to \$45 per 160 hours of employment.

TRANSPORTATION INCENTIVES

- 1) Effective the first day of the pay period following ratification by both parties, employees working in areas served by mass transit will be eligible for a 75 percent discount on public transit passes up to \$100 per month. This is an increase from \$65 per month.
- 2) Effective the first day of the pay period following ratification by both parties, employees riding in vanpools will be eligible for a 75 percent reimbursement of the monthly fee up to \$100 per month. This is an increase from \$65 per month. The State will provide \$135 per month for each employee who is the primary vanpool driver. This is an increase from \$100 per month.

MOVING EXPENSES

- 1) Effective July 1, 2021, an employee who is required to move by the state will be reimbursed by the state for approved items under the same requirements that apply to excluded employees.

FEDERAL FUNDING FOR ESSENTIAL WORKER PREMIUM PAY

- 1) The state will meet and confer with Bargaining Unit 12 upon finalization of the federal regulations regarding essential worker premium pay.

POST-EMPLOYMENT BENEFITS PREFUNDING OF OTHER POST-RETIREMENT BENEFITS (OPEB)

- 1) Effective the first day of the pay period following ratification by both parties, the contribution percentages will be adjusted based on the actuarially determined total normal cost. If the total normal costs increase or decrease by more than half a percent from the total normal cost contribution in effect at that time, the employer and employee contribution percentages will be increased or decreased, no sooner than July 1, 2021, to maintain a 50 percent cost sharing of actuarially determined total normal costs. The increase or decrease to the employer or employee contribution shall not exceed 0.5 percent per year.

HEALTH BENEFITS HEALTH, DENTAL, VISION

- 1) The state's monthly health benefit contribution for each employee shall continue to be a flat dollar amount equal to 80 percent of the weighted average of the basic health benefit plan premiums of the four largest enrolled basic health plans. The flat dollar amounts shall be increased or decreased as appropriate pursuant to the formula on January 1, 2022, and January 1, 2023.

WORKFORCE DEVELOPMENT – TRADES

- 1) The State is committed to partnering with IUOE in exploring recruitment, training and educational opportunities within the Trades classifications with a focus on increasing diversity and retaining skilled labor essential for continuing to innovate and adapt to meet the needs of the 21st century.

DURATION

- 1) July 1, 2021, through June 30, 2023

TERM

- 1) Effective the first day of the pay period following ratification by both parties. The union ratification process will be completed no later than June 30, 2021

Bargaining Unit 13: The MOU side letter agreement between the state and BU 13 (IUOE) is, as follows:

COMPENSATION

- 1) *Personal Leave Program (PLP 2020)*

- a. Effective on the first day of the pay period following ratification by both parties, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 13 employees will have their full salaries reinstated.
- b. Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 13 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

2) *Salary Increase*

- a. Effective on the first day of the pay period following ratification by both parties, the maximum of the salary ranges of all Bargaining Unit 13 classifications will be increased by 5.83 percent. This increase will account for the two previously negotiated salary increases that were originally scheduled for July 1, 2020 (3 percent) and July 1, 2021 (2.75 percent), including compounding (.08 percent).

POST-EMPLOYMENT BENEFITS PREFUNDING OF OTHER POST-EMPLOYMENT BENEFITS (OPEB)

- 1) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 13 employees will resume monthly contributions of 3.9 percent to prefund OPEB.

TERM

- 1) Effective the first day of the pay period following ratification by both parties. The union ratification process has been completed.

Bargaining Unit 16: The MOU side letter agreement between the state and BU 16 (UAPD) is, as follows:

COMPENSATION

- 1) Personal Leave Program (PLP 2020)
 - a. Effective on the first day of the pay period following ratification by both parties, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 16 employees will have their full salaries restored.
 - b. Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 16 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.
- 2) Salary Increases
 - a. Effective on the first day of the pay period following ratification by both parties, all Bargaining Unit 16 employees will receive a 5.06 percent general salary increase. This increase will account for the previously negotiated salary

increase that was originally scheduled for July 1, 2022 (2.5 percent), and a new salary increase (2.5 percent), including compounding (0.06 percent).

- b. Effective July 1, 2022, all Bargaining Unit 16 employees will receive a 2 percent salary increase. (Section 10.4) Maximum Salary Range Increase.
- c. Effective on the first day of the pay period following ratification by both parties, the following classifications will have an increase in the maximum salary ranges by 10 percent.
- d. Certain specified employees who have been at the maximum salary for 12 qualifying pay periods will be moved to the new maximum salary.

3) Recruitment and Retention Salary Differential

- a. Effective on the first day of the pay period following ratification by both parties, certain specified classifications will receive a recruitment and retention differential of 10 percent.
- b. Effective on the first day of the pay period following ratification by both parties, agreed upon classifications are eligible for additional payments of \$5,000 after 60 and 84 qualifying pay periods.

4) Assignment and Payment of Medical Officer of the Day

- a. Effective the first day of the pay period following ratification by both parties and expiring with the June 2023 pay period, the Department of State Hospitals (DSH) will be eligible for Medical Officer of the Day with a four-hour minimum requirement.

5) Licensure – Continuing Medical Education

- a. Effective the first day of the pay period following ratification by both parties, Unit 16 employees will receive \$2,500 annually for continuing medical education.

POST-EMPLOYMENT BENEFITS PREFUNDING OF OTHER POST-EMPLOYMENT BENEFITS (OPEB)

- 1) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 16 employees will resume monthly contributions of 1.4 percent to prefund OPEB.

MISCELLANEOUS

1) Contract Reopener Language

- a. The parties agree to meet and confer upon finalization of the federal regulations regarding essential worker premium pay.

TERM

- 1) Upon ratification by both parties the MOU is extended from July 1, 2022, to July 1, 2023. The Union ratification process will be completed no later than June 30, 2021.

Bargaining Unit 18: The MOU side letter agreement between the state and BU 18 (CAPT) is, as follows:

COMPENSATION

- 1) Personal Leave Program (PLP 2020)
 - a. Effective on the first day of the pay period following ratification, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 18 employees will have their full salaries restored.
 - b. Effective on the first day of the pay period following ratification, Bargaining Unit 18 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.
- 2) General Salary Increase (GSI)
 - a. Effective on the first day of the pay period following ratification, Bargaining Unit 18 employees will receive a 5.58 percent salary increase. This increase was originally schedule for July 1, 2020 (2.75 percent) and July 1, 2021 (2.75 percent), including compounding (0.08 percent).
- 3) Minimum Wage Equity Adjustment
 - a. Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 18 employees will no longer be eligible for the Minimum Wage Equity Adjustment that was negotiated in response to the implementation of PLP 2020.

POST-EMPLOYMENT BENEFITS PREFUNDING OF OTHER POST-RETIREMENT BENEFITS (OPEB)

- 1) Effective on the first day of the pay period following ratification, Bargaining Unit 18 employees will resume monthly contributions to prefund OPEB.

MISCELLANEOUS

- 1) Vacation Leave
 - a. Effective with the October 2021 bid cycle, Bargaining Unit 18 employees will be able to bid for a total of 32 vacation days, but may not exceed the accrued PLP/vacation/annual leave balances available.
- 2) Contract Reopener Language

- a. This side letter agreement may be reopened upon finalization of the federal regulations regarding essential worker premium pay.

TERM

- 1) Effective the first day of the pay period following ratification. The union ratification process has been completed.

Bargaining Unit 19: The MOU side letter agreement between the state and BU 19 (AFSCME) is, as follows:

COMPENSATION

- 1) *Personal Leave Program (PLP 2020)*
 - a. Effective on the first day of the pay period following ratification, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 19 employees will have their full salaries restored.
 - b. Effective on the first day of the pay period following ratification, Bargaining Unit 19 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.

POST-EMPLOYMENT BENEFITS PREFUNDING OF OTHER POST-EMPLOYMENT BENEFITS (OPEB)

- 1) Effective on the first day of the pay period following ratification, Bargaining Unit 19 employees will resume monthly contributions of 3.0 percent to prefund OPEB

TERM

- 1) Effective the first day of the pay period following ratification. The union ratification process has been completed.

FISCAL COMMENTS

This bill appropriates \$1,287,279,000 (\$469,723,000 General Fund) to implement the MOU addenda and side letters.

VOTES

SENATE FLOOR: 29-8-2

YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk

ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: June 25, 2021

CONSULTANT: Michael Lucien / BUDGET / (916) 319-2099

FN:

SUMMARY

This trailer bill makes statutory changes necessary to implement the provisions of the 2021 Budget Act related to public safety capital provisions.

Major Provisions

Specifically this bill:

- 1) Decreases the amounts of revenue bonds, notes, or anticipation of notes that the State Public Works Board can issue for the construction of local criminal justice facilities as a result of award relinquishments and unawarded funds.
- 2) Reduces the maximum amount of authorized costs for the Health Care Facility Improvement projects at the California Department of Corrections and Rehabilitation and removes the requirements that the State Public Works Board approve each allocation and that the Department of Finance report to the Legislature.

COMMENTS

According to the Author

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill includes a reduction of the maximum amount of costs authorized for the Health Care Facility Improvement projects. The total amount available is \$1,129,157,000.

VOTES

SENATE FLOOR: 29-8-2

YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk

ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: June 25, 2021

CONSULTANT: Jennifer Kim / BUDGET / (916) 319-2099

FN:

SUMMARY

The bill is the supplemental appropriations bill for the 2020 budget.

Major Provisions

The bill amends the 2020-21 Budget Act to reflect \$17.2 million in additional unexpected costs for the fiscal year. Specifically, this bill:

- 1) Provides \$17.2 to the Department of Corrections and Rehabilitation for unanticipated security, rehabilitation, and institutional administration; and
- 2) Includes \$10,800 for local government homicide costs.

COMMENTS

This bill, often referred to as the deficiency bill, addresses unforeseen costs incurred during the fiscal year to adjust the 2020 budget to account for these expenditures. Each year, deficiency bills are included in the June budget package for this purpose.

According to the Author

This bill is necessary to adjust the 2020 state budget for unexpected costs that have already occurred.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill appropriates \$17.2 million General Fund, these costs are accounted for in the overall scoring of the 2021 budget package.

VOTES

SENATE FLOOR: 29-8-2

YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk

ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: June 14, 2021

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099

FN:

SENATE THIRD READING
SB 152 (Committee on Budget and Fiscal Review)
As Amended June 23, 2021
Budget Bill Appropriation Takes Effect Immediately

SUMMARY

This is the elections trailer bill and contains the necessary changes related to the 2021 Budget Act. The bill makes changes to the certification process for recall elections, clarifies how the 2021 gubernatorial recall election will be held and provides an appropriation to the Secretary of State to support the costs of the 2021 gubernatorial recall election..

The bill clarifies requirements for counties conducting a regular elections before January 1, 2022. The bill further authorizes local government entities that previously called a special election to consolidate that election with a gubernatorial recall election as specified. Specifically, this bill:

Major Provisions

- 1) Allows the Secretary of State to certify the sufficiency of signatures for a recall election before the Joint Legislative Budget Committee has ha 30 days to review and comment on the cost estimate provided by the Department of Finance if the Legislature has appropriated funds it determines are reasonably necessary to conduct the recall election and has designated funds for that purpose in the Budget Act or other statute.
- 2) Appropriates \$35,000,000 from the General Fund to the Secretary of State to support statewide and county costs of the 2021 gubernatorial recall election.
- 3) Requires the 2021 gubernatorial recall election to be held as a regular election.
- 4) Declares that provisions relating to all-mailed ballot special elections and changing or altering election precincts do not apply to the 2021 gubernatorial recall election.
- 5) Authorizes a county that has previously conducted an all-mailed ballot election to conduct an all-mailed ballot election prior to January 1, 2022 if it provides:
 - a) At least one vote center for every 30,000 registered voters on the day of the election and the 3 days preceding the election, and
 - b) At least one vote center for every 60,000 registered voters, beginning 10 days before the election and continuing up to the 4th day before the election.
- 6) Authorizes a county that has not previously conducted an all-mailed ballot election to conduct an all-mailed ballot election using procedures substantially similar to those in effect for the November 3, 2020 statewide general election.
- 7) Requires counties to conduct a voter education and outreach campaign, notifying voters about mail ballots, early voting opportunities, voting options and where to remedy any voting problems.
- 8) Requires the Secretary of State to establish a process for granting partial waivers from number, location or operational duration of polling places and ballot drop-off locations.

- 9) Authorizes counties to start processing vote by mail ballots on the 29th day before an election.
- 10) Deems a vote by mail ballot as being timely cast if postmarked or date stamped on or before election day and received by the voter's election official no later than 7 days after election day.
- 11) Authorizes local government entities that previously called a special local election to consolidate that election with a gubernatorial recall election as specified.
- 12) Specifies the intent of the Legislature to reevaluate the amount of the appropriation to the Secretary of State and other appropriations made to support the costs of the 2021 gubernatorial recall election.

COMMENTS

This bill is a budget trailer bill within the overall 2021-22 budget package to clarify the process for a recall election, by ensuring that if the Legislature provides funds reasonably necessary to hold the election, the required cost review process can be waived. Additionally, this bill provides county requirements for regular elections held before January 1, 2022 and permits consolidation of special elections called by local government entities with any such regular election.

Further, this allows the Secretary of State to certify the sufficiency of signatures in support of a gubernatorial recall election before the Joint Legislative Budget Committee has had 30 days to review, if the Legislature has appropriated funds for that election.

According to the Author

This bill provides important statutory clarification to the recall election certification process.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill allocates \$35 million from the General Fund to the Secretary of State to support statewide and county costs related to administering the 2021 gubernatorial recall election.

VOTES

SENATE FLOOR: 29-8-2

YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk

ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: June 23, 2021

CONSULTANT: Michael Lucien / BUDGET / (916) 319-2099

FN:

SUMMARY

Creates the Board of Environmental Safety (Board) within the California Environmental Protection Agency (Cal/EPA) to provide policy direction and oversight of the Department of Toxic Substances Control (DTSC). Raises and recasts existing fees within the Hazardous Waste Control Account (HWCA) and raises the environmental fee. Appropriates \$822,400,000 for hazardous site cleanup.

Major Provisions

- 1) Creates a 5-member Board within Cal/EPA to oversee and provide transparency to DTSC, all of whom shall represent the general public interest and meet specified qualifications.
- 2) Updates a requirement DTSC to develop a Statewide Hazardous Waste Management Plan and requires that plan to be approved by the Board.

The Plan would be required to:

- a) Include an identification of areas of the state that are disproportionately impacted by hazardous waste treatment and disposal activities;
 - b) Contain a description of steps to reduce the generation of hazardous wastes;
 - c) Involve a public process with meetings throughout the state;
 - d) Be completed by March 1, 2025 and updated every three years thereafter;
 - e) Provide one-time funding for the development of the first plan.
- 3) Requires that the owner or operator of a hazardous waste facility submit to DTSC a written cost estimate associated with necessary corrective actions after DTSC has identified a release of hazardous waste; applying this same process for responsible parties for cleanup sites.
 - 4) Eliminates the Manifest Fee, Disposal Fee, and Environmental Protection Agency Identification Fee and revises, recasts, and raises the Facility Fee and Generation and Handling Fee to base rates that reflect DTSCs anticipated regulatory costs in FY 2022/23. Eliminates the Generation and Handling fee for used oil, and allows the Board to raise the Facility Fee and the Generation and Handling Fee above the base rate, subject to a cap, to fund appropriations approved by the Legislature through the Budget.
 - 5) Revises the Environmental Fee that is deposited into the Toxic Substances Account (TSCA) to eliminate the fee on businesses with less than 100 employees, maintain the fee rate on businesses with 100-500 employees, and raises the rate on businesses with more than 500 employees. Authorizes Board to revise the fee rates annually to fund annual appropriations approved by the Legislature from TSCA.
 - 6) Phases in a requirement that all permit renewal applications must be submitted at least two years before expiration. Deems the permit extended until DTSC takes final action on the application, if the renewal application is submitted in time. Establishes a process by which the Board may review any final permit decision that DTSC has not made by these deadlines.

7) Requires DTSC to post on its website a timeline of the estimated dates of milestones in the application review process within 90 days of receiving a completed application for a renewal of a hazardous waste permit.

COMMENTS

SB 158 builds upon the oversight work done by the Legislature by bringing some transparency to DTSC's decision-making process and is similar to AB 995 (C. Garcia) which was vetoed by the Governor due to not addressing fiscal reform issues.

Managing hazardous waste is a complex and potentially dangerous task; incorrect handling of certain hazardous wastes could pose significant threats to human health and safety and the environment. Ensuring compliance with state and federal hazardous waste laws is one DTSC's core regulatory functions. The Legislature has seen many bills over the last several years that deal with changes or reforms to DTSC; while the Governor and the Director of DTSC change, the problems seem to continue.

This bill would establish a Board of Environmental Safety to provide the public with transparency to DTSC's major permitting and cleanup decisions to address the perceived lack of transparency, which is a major concern cited by virtually all stakeholders of DTSC. Additionally, this bill gives the Board some early direction to help focus DTSC's efforts on improving its permitting of hazardous waste facilities as well as improving its ability to safely and efficiently oversee the cleanup of contaminated sites. This also stabilizes the funding for DTSC's hazardous waste regulatory work and cleanup programs while also providing substantial additional General Fund monies to speed the cleanup of sites in communities with high cumulative environmental burdens and proximity to sensitive receptors.

This bill also strengthens financial assurance requirements.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

Appropriates \$822,400,000 as follows:

- \$500,000,000 over 3 years for site discovery, investigation, and cleanup with a priority for sites in communities with high cumulative environmental burdens and proximity to sensitive receptors; job training and development program that priorities local hires; and grants for confirmation sampling.
- \$322,400,000 as a loan to TSCA to continue Exide residential cleanup and job training, including an additional 2,740 residential properties.

VOTES

SENATE FLOOR: 29-8-2

YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk

ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: June 25, 2021

CONSULTANT: Shy Forbes / BUDGET / (916) 319-2099

FN:

SENATE THIRD READING
SB 159 (Committee on Budget and Fiscal Review)
As Amended June 25, 2021
Budget Bill Appropriation Takes Effect Immediately

SUMMARY

Provides legislative ratification of the memorandum of understanding (MOU) agreed to by the state and Bargaining Unit (BU) 6.

Specifically, this bill:

- 1) Ratifies the MOU for BU 6 – Corrections, represented by Corrections California Correctional Peace Officers Association.
- 2) Establishes the Ralph C. Dills Act, which requires the state to collectively bargain with the exclusive representatives of employee groups (i.e. bargaining units) regarding wages and working conditions, and to define negotiated agreements in MOUs.
- 3) Establishes the California Department of Human Resources (CalHR) as the official representative of the Governor in all matters related to collective bargaining with state employees.
- 4) Requires that any MOU between the state and an exclusive representative must be ratified by the Legislature.
- 5) Establishes the California Public Employees' Retirement System (CalPERS), which administers health and retirement benefits for state employees.
- 6) Requires the Legislative Analyst's Office (LAO) to analyze all state MOUs and to provide analyses of an MOU and its fiscal impact to the Legislature within 10 days of receipt of an MOU from CalHR.
- 7) Provides that fully vested state retirees (e.g., with 20 or more years of state employment or with 25 years or more depending on the bargaining unit) are entitled to an employer contribution for retiree health care equal to 100% of the weighted average premium of the four health plans most highly utilized by all members. Dependents are eligible for a contribution based on 90% of the average additional premiums paid for dependents during the benefit year in which the formula is applied. This is referred to as the 100/90 formula.
- 8) Requires that Medicare-eligible retirees enroll in Medicare and choose a Medicare-coordinated health plan.
- 9) Provides that most state employees (those hired after 1985 or 1989, depending on class) must work for 10 years to receive 50% of the 100/90 formula, with an additional 5% per year of service until, after 20 years, they are vested to receive 100% of the 100/90 formula. Individuals hired prior to 1985 or 1989 could be subject to either five year or 10 year vesting for full coverage of the 100/90 formula. Some employees must work up 15 years for 50% up to 25 years to receive 100% of the employer contribution.
- 10) Provides that retirees who were covered in certain bargaining units while actively employed will receive an employer retiree health contribution based on the 80/80 formula (i.e., 80% of

the weighted average premium of the four health plans most highly utilized by all members).

11) Provides that the employer contribution for active state employee health care shall be determined through collective bargaining.

Major Provision:

Deletes the previous version of the bill and instead ratifies the MOU side letter entered into between the state and BU 6 as follows:

- 1) Approves provisions requiring the expenditure of funds for the addendum entered into by the state and BU 6.
- 2) Authorizes the state or BU 6 to reopen negotiations if funds for those provisions are not specifically appropriated by the Legislature. The bill provides that the provisions of the addendum that require expenditure of funds become effective even if those provisions are approved by the Legislature in legislation other than the annual Budget Act.
- 3) Extends the date of the MOU to July 2, 2023.
- 4) Reinstates the employees' monthly contribution for prefunding other postemployment benefits for the 2021–22 fiscal year.
- 5) Provides for a continuous appropriation for fiscal year 2023-24 to extend the terms of the MOU until the Budget Act of 2023 is enacted, if the budget is not enacted by July 1, 2023.
- 6) Appropriates \$509,997,000 for expenditure in the 2021–22 fiscal year for the purpose of state employee compensation as provided.
- 7) Includes provisions to take effect immediately.
- 8) Includes double jointing language to address chaptering out issues with AB 142 (Ting).

COMMENTS

The following information summarizes the general provisions of the MOU and was provided by CalHR:

Total of approximately 27,006 full-time equivalents.

HEALTH BENEFITS

The state's monthly health benefit contribution for each employee shall continue to be a flat dollar amount equal to 80 percent of the weighted average of the basic health benefit plan premiums of the four largest enrolled basic health plans. The flat dollar amounts shall be increased or decreased as appropriate pursuant to the formula on January 1, 2023.

COMPENSATION

- 1) Personal Leave Program (PLP 2020)

- a) Effective on the first day of the pay period following ratification by both parties, the Personal Leave Program (PLP 2020) will end. Bargaining Unit 6 employees will have their full salaries restore.
 - b) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 6 employees will no longer receive PLP 2020 leave credits. All provisions related to the use and compensability of the PLP 2020 leave credits will remain unchanged.
- 2) Salary Increase
- a) Effective on the first day of the pay period following ratification by both parties, all Bargaining Unit 6 employees will receive a 5.58 percent. This increase will account for the previously negotiated salary increase that was originally scheduled for July 1, 2020 (3 percent), a new July 1, 2021 increase (2.5 percent), and includes compounding (.08 percent).
 - b) Effective July 1, 2022, all Bargaining Unit 6 employees will receive a 2.5 percent salary increase.
- 3) Holiday Pay
- a) Effective on the first day of the pay period following ratification by both parties, the holiday pay and credits that were suspended for seven holidays will be restored.
- 4) Night and Weekend Shift Differentials
- a) Effective on the first day of the pay period following ratification by both parties, the night and weekend shift differentials that were suspended will be restored.
- 5) Restoration of Uniform Allowance
- a) Effective on the first day of the pay period following ratification by both parties, the reduced uniform allowances will be restored with the 2021 uniform allowance payment.
- 6) Personal Development Day (PDD)
- a) Effective on the first day of the pay period following ratification by both parties, the one PDD that was suspended for calendar year 2022 will be restored.
- 7) One-time Leave Cash Out
- a) Employees shall have a one-time option to cash out up to 80 hours of compensable leave credits in the fall of 2021.
- 8) Prefunding of Other Post-Employment Benefits (OPEB)
- a) Effective on the first day of the pay period following ratification by both parties, Bargaining Unit 6 employees will resume monthly contributions to prefund OPEB.
- 9) Restoration of Training

- a) The annual training schedule for calendar year 2021 will continue through December 31, 2021, as scheduled. The relief positions tied to the modified training will be restored effective the first day of the pay period following ratification by both parties.
- b) Effective January 1, 2022, training will revert back to the 7k Training Program and the associated relief positions will be used to cover training.

10) Pandemic-Related Health and Wellness

- a) Effective August 1, 2021 through July 2022, eligible Bargaining Unit 6 employees shall earn 8 hours of COVID-19 Fatigue Leave Time Off (CFLTO) per month. This leave time is non-compensable and is expected to be used routinely. Management may mandate employees off work for any unutilized CFLTO. Any unused leave will expire permanently on July 30, 2022.
- b) The CFLTO program is not grievable or arbitrable. Any disputes that cannot be resolved at the local level shall be resolved by the chief of the CDCR Program Support Unit and the CCPOA President, or their designee.
- c) The relief positions from the modified training program will be deployed to allow for COVID-19 Fatigue Leave Time Off through December 31, 2021.
- d) Bargaining Unit 6 employees shall receive \$208 per month payable in a single lump sum once in calendar year 2021 and once in calendar year 2022 in recognition of increased health and wellness needs tied to COVID-19.

11) Rehabilitative and Efficiency Measures

- a) The parties agree to continue to meet quarterly and address efficiencies and the rehabilitation measures within the Correctional Counselor classification.

12) Total Compensation Report

- a) A joint labor management group will be established to discuss the criteria, comparators and methodology to be utilized in the next Bargaining Unit 6 Total Compensation Report pursuant to Government Code Section 19826.

13) Main Tale Work Group

- a) A main table work group will be established and begin meeting in 2022 to work collaboratively and creatively to prepare for 2023 contract negotiations.

14) Contract Reopener Language

- a) The parties agree to meet and confer upon finalization of the federal regulations regarding essential worker premium pay.
- b) CCPOA will have the ability to reopen section 15.01 of the contract should another bargaining unit receive a negotiated general salary increase (negotiated after June 1, 2021) greater than 2.5 percent payable in 2022.

15) Duration

- a) July 2, 2022 through July 2, 2023.

FISCAL COMMENTS

The budget trailer bill includes a continuous appropriation. The bill appropriates \$400.7 million for 2021-22.

VOTES

SENATE FLOOR: 29-8-2

YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk

ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: June 25, 2021

CONSULTANT: Michael Lucien / BUDGET / (916) 319-2099

FN: